GENERAL

GEOGRAPHY

The City is the seat of Harris County, Texas and is located on the upper Texas Gulf Coast 50 miles from the Gulf of Mexico. The City covers 617.34 square miles and lies in three counties: Harris (606.326 square miles), Fort Bend (8.080 square miles) and Montgomery (2.937 square miles). The Houston Primary Metropolitan Statistical Area ("PMSA") includes Chambers, Fort Bend, Harris, Liberty, Montgomery and Waller Counties and covers 6,304.31 square miles. The Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Area ("CMSA") consists of the Houston PMSA, the Galveston-Texas City PMSA and the Brazoria PMSA, and covers 8,778.31 square miles.

HISTORY

Houston was founded in 1836 by the Allen brothers on land near the head waters of Buffalo Bayou. This location was chosen because it was as close to central Texas colonies as river boats could travel from the Gulf, making it a marketing and distribution site. The City was named after General Sam Houston, first president of the Republic of Texas and commander of the Texas army that won independence from Mexico in April 1836. The discovery of oil in southeast Texas at Spindletop in 1901 and the opening of the man-made Houston Ship Channel in 1914 stimulated rapid development of petroleum refining and metal fabrication. Petrochemical manufacturing on a large scale began during World War II.

WEATHER

Houston averages 21.3 dates per year of freezing weather and 95.5 dates with high temperatures of 90°F or more. The City averages 46.07" of annual precipitation, and thunderstorms occur 103.4 days per year with 208 days of sunshine.

CITY GOVERNMENT

STRUCTURE

Incorporated under the laws of the Republic of Texas in 1837, and again under the Laws of the State of Texas in 1905, the City operates under a Home Rule Charter. The City has a Mayor-Council form of government in which the Mayor and a fourteen member council serve as the legislative body. The Mayor and City Controller are elected by all voters in the City. Nine council members are elected by districts, and five council members are elected at-large. The Mayor, all members of the Council, and the City Controller are elected for two-year terms that run concurrently. Term limits provide that no elected city official may serve in any one position for more than three consecutive terms. The present term of office for all elected officials expires on January 2, 2002.

The Mayor appoints the directors of the various departments of the City, subject to the confirmation of the City Council, and exercises administrative control over these departments.

The City Controller is the City's chief financial officer. The Controller supervises the fiscal affairs of the City; maintains the books of accounts; prepares financial statements; conducts sales of City bonds; certifies the availability of funds before the City incurs any financial obligation; and countersigns, with the Mayor, all warrants, contracts, and orders for payment of any money by the City.

The following table shows the number of City employees at the end of each of the last ten fiscal years per the City Personnel Department:

	Total					Water &	Total
Year	Employees	Year	Municipal	Fire	Police	Sewer	Employees
1991	20,451	1996	12,073	3,042	5,295	2,971	23,381
1992	20,671	1997	12,072	3,124	5,354	2,685	23,235
1993	21,670	1998	12,120	3,235	5,362	2,498	23,215
1994	23,010	1999	12,218	3,291	5,426	2,190	23,125
1995	23,466	2000	12,170	3,233	5,406	2,142	22,951

SERVICES

The City provides water, sanitary sewer, airport, library and park services. The City also has the responsibility of maintaining its storm drainage facilities, bridges, and streets; providing local law enforcement, fire protection, solid waste disposal services, building inspection and civil defense services; and maintaining preventive health service through numerous health facilities within the community.

The City does not operate hospitals, a school system, transit services or a higher education system and does not expend City funds in providing welfare. The hospitals and schools maintained within the City are administered by special districts or other governmental entities with independent taxing authority, and the transit system is operated by the Metropolitan Transit Authority and supported primarily by a separate .01 (one cent) sales tax.

POPULATION

The City's population, according to the United States Department of Commerce - Bureau of the Census and the City Planning Department was estimated at 1,919,390 as of January 1, 2000 after annexations, making Houston the nation's 4th most populous city. The population of the Houston Primary Metropolitan Statistical Area (PMSA), according to the United States Department of Commerce - Bureau of the Census, was estimated at 4,051,752 as of January 1, 2000.

The following table presents the population of the City and the Houston PMSA according to the United States Department of Commerce - Bureau of the Census, as of April 1, of the year shown:

	Population			
Year	City of Houston	Houston PMSA		
2000	1,919,390	4,051,752		
1990	1,668,261	3,322,025		
1980	1,595,138	2,753,155		
1960	938,219	1,364,569		
1940	384,514	627,311		

EDUCATION

The Houston region has 41 colleges and universities. The Houston Independent School District is the seventh largest in the U.S., with a Fall 1999-2000 enrollment of 209,916 in 289 schools of which 110 are "magnet" schools offering specialized programs. There are a total of 23 school districts partly or entirely in Harris County. Approximately 25,158 students are enrolled in accredited nonpublic schools.

Houston Independent School District

Year	Pupils	Teachers	
1999-2000	209,916	11,674	
1998-1999	210,179	11,773	
1997-1998	211,197	11,605	
1996-1997	209,610	11,853	
1995-1996	207,000	11,513	
1994-1995	202,149	11,919	
1993-1994	200,613	11,405	
1992-1993	198,209	11,536	
1991-1992	197,413	11,251	
1990-1991	194,031	10,928	

Source: Houston Independent School District Facts, Texas Education Agency, and Texas Higher Education Coordinating Board.

HEALTH CARE

Houston has 85 hospitals with 19,390 beds of which 6,403 are in the Texas Medical Center ("TMC"). The TMC consists of 33 major institutions and occupies a 675-acre campus. The combined value of TMC buildings completed or under construction represent a capital investment exceeding \$6.6 billion. Total operating budget for 2000 was estimated at \$4.2 billion; employment in 1997 was approximately 51,273, enrollment in TMC institutions was in excess of 16,860 students as of 2000, and 72,114 health professional participated in educational and professional programs as of 2000.

SPACE SCIENCE

Johnson Space Center ("JSC"), a \$1.2 billion complex constructed in 1962, occupies a 1,620-acre site about 25 miles southeast of downtown Houston. JSC is a focal point for the U.S. manned space flight program, is responsible for the space shuttle, and is the lead institution of the space station program.

EMPLOYMENT

Houston is still in the forefront of energy exploration and production technology, yet the industries that employ Houstonians continue to increase in diversity. After modest growth during 1991-1992, employment in Houston accelerated in response to robust national expansion. Houston ended 1998 with a net gain of 67,500 jobs, or 4.9 percent, well above the national rate of 2.4 percent.

Ten Largest Employers in Harris County (alphabetical)

Aldine I.S.D.
Baylor College of Medicine
Brown & Root, Inc.
Compaq Computer Corporation
Continental Airlines, Inc.
Cypress Fairbanks I.S.D.
ExxonMobile Corporation
Harris County
Houston-City Of
Houston ISD

Source: Texas Employment Commission

BUSINESS

Houston is a major corporate center as well as an international city that is home to more than one half of the world's 100 largest non-US-based corporations and 25 of the 1999 Forbes 500 list. A leading center for international finance, Houston leads the Southwest with 28 foreign banks representing 13 different nations.

Source: Greater Houston Partnership

INCOME

Annual average payroll employment in the Houston PMSA in 1998 rose by 93,700 (4.9%) to 1,988,100 according to the U. S. Department of Commerce & U.S. Bureau of Labor Statistics

TRADE

The Port of Houston ranked first among U.S. ports in 1998 in amount of foreign tonnage and second in total tonnage.

By Value (\$000)			By Tonnage		
Mexico	\$	3,013,945	Mexico	28,579,416	
Venezuela		2,768,806	Venezuela	14,729,073	
Germany		2,288,573	Saudi Arabia	6,313,575	
Brazil		2,038,741	Algeria	2,781,834	
United Kingdom		1,784,537	Kuwait	2,773,787	

SPORTS

Houston's professional teams include: the *Texans* (National Football League), *Astros* (Major League Baseball); the Back to Back NBA World Champion Houston *Rockets* (National Basketball Association 1994 and 1995 champions); the Four Time WNBA World Champion Houston *Comets* (Women National Basketball Association 1997, 1998, 1999 and 2000 champions); the 1999 Turner Cup Champions *Aeros* (International Hockey League); the *Hotshots* (Continental Indoor Soccer League; and the *Texas Terror* (Arena Football League). Racing facilities include the *Sam Houston Race Park* (class 1 thoroughbred/quarterhorse racing), and *Gulf Greyhound Park*. The *Texaco/Havoline Grand Prix* is held each year in downtown Houston.